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A Brief Summary of Economic Conditions

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FARMERS throughout the country are now making their final spring planting decisions for the greatest peacetime agricultural output in history—to meet a probable unprecedented peacetime demand, both domestic and foreign. While the 1946 prospective food consumption per capita in the United States will average at least 11 percent *above* prewar, per capita food supplies in other parts of the world now average 12 percent *below* prewar. * * * Production goals for 1946 were being reviewed in mid-February, in light of increased needs. Livestock numbers in the aggregate are likely to continue in 1946 near the high levels of 1945. * * * Domestic wheat supplies are not sufficient to permit unlimited use in this country and at the same time meet critical export requirements. Because of the importance of wheat and flour in alleviating the critical food shortage in many parts of the world, the President in early February asked various agencies to institute emergency measures for curbing the use of wheat in this country. The new bread flour resulting from the measures will enhance slightly the nutritive content of the average diet, and save wheat to help prevent starvation in other parts of the world.

Commodity Reviews

FOOD GRAINS

MARKETINGS of wheat to satisfy large domestic and export requirements have been held down by the relatively small volume of farm wheat sales and by the shortage of railroad cars. The demand for rice for shipments and exports continues heavy, with the result that domestic per capita consumption probably will again be slightly below average. As rye disappearance is at an annual rate larger than production in 1945, stocks by next July will be very small.

World requirements for wheat and flour are considerably in excess of available supplies in exporting countries. Exports from the United States will be as large as is consistent with domestic requirements for current use and carry-over. If wheat moves freely from farms in the next few months, the July 1 carry-over might drop to about 150 million bushels. The 1932-41 prewar average carry-over was 235 million bushels, with a low of 83 million in 1937.

Buyers are having considerable difficulty in obtaining wheat. A large part of the present supply is located on farms, particularly in the area from North Dakota to Kansas and in the Pacific Northwest. Of the January 1 total stocks of 689 million bushels, 369 million were still on farms.

The 1946 winter wheat production was indicated at about 750 million bushels in December, based on average growing conditions for the rest of the growing season. If the winter crop is as indicated, and the spring wheat crop is about average, 1946 will provide another billion-bushel total harvest.

Large supplies of rice were available from the record 1945 crop. However, the heavy demands for relief feeding in the Pacific areas, as well as for commercial exports and usual ship-

ments to the territories, contributed to reducing domestic rice consumption slightly below the 1935-39 average of 5.7 pounds of milled rice per capita. The production goals for 1946 call for an acreage only slightly less than the record in 1945.

Rye consumption is currently above the 1945 level of 3.2 pounds per capita, although short supplies have curtailed the use of this grain for feeding and for the production of alcohol and spirits. Acreage of rye sown for all purposes in the fall of 1945, at 3.72 million acres, is 17 percent less than that sown for the previous crop and 41 percent less than the 10-year (1934-43) average. The reported condition on December 1 was 83 percent of normal, 5 points below the condition a year earlier, but 7 points above the 10-year average.

FEED

COMMERCIAL supplies of feed grains and byproduct feeds, although large, were insufficient in January to meet the unusual demand at ceiling prices. Keen competition in purchasing feed concentrates is expected to continue through spring.

Use of high-protein feeds in the manufacture of mixed feeds was restricted in an order issued by the Department in mid-January. In the first 9 months of 1945, nearly as much high-protein feed was used by 633 reporting plants in making commercial mixed feed as in all of 1943 and 1944, and more was used in the 9-month period than in all of 1942.

Combined disappearance of corn, oats, and barley during October-December was 9 percent larger than in the corresponding quarter of 1944, and only 2 percent smaller than in that quarter of 1943, when disappearance was the greatest on record.

Disappearance of all corn during October-December 1945 was 8 percent more than a year earlier, disappearance of oats was 36 percent more, but barley disappearance was 15 percent less. Disappearance of hay during May-December 1945 was 10 percent greater than in the same period of 1944. The quantity of wheat used as feed since July was substantially less than the record quantity fed during the corresponding period of 1943, but materially more than was fed during July-December in most earlier years. Disappearance of all feeds is expected to continue large, at least through the first half of 1946.

Stocks of corn, oats, and barley on farms and at terminal markets on January 1 totaled 74.5 million tons, 2 percent less than on January 1, 1945. Stocks of corn were the smallest for that date in 7 years, barley stocks were the smallest for January 1 since 1938, but stocks of oats were larger than on any other January 1 for which records are available. Carry-over of corn, oats, and barley at the end of the current marketing year may be 2 million tons less than the 14.2 million tons on hand at the end of the 1944-45 marketing year, with all of the reduction occurring in corn and barley. Stocks of wheat also will be reduced. Prices of feed grains, except oats, will average higher this season than last.

Stocks of hay on farms January 1 were the second largest in 9 years for which January 1 farm stocks have been estimated, being exceeded only in 1943. Hay prices this season have been moderately lower than the near-record prices in 1944-45.

The President's directive of early February asking emergency measures to help meet critical world food needs will result in less utilization of feed grains in beverage alcohol and in some increase in exports. Also wheat feeding will be restricted and wheat mill-feed output will be reduced.

LIVESTOCK

TOTAL livestock numbers on farms showed a slight gain in 1945, with an increase in numbers of hogs and chickens more than offsetting a decline in numbers of cattle, sheep and lambs, and horses and mules. At the beginning of 1946 there were 146.5 million grain-consuming units of livestock (including chickens) on farms and ranches, compared with 146.2 million a year earlier.

About 62 million hogs were on farms at the start of 1946, 2½ million more than a year earlier, but 25 percent less than the record number at the beginning of 1944. Cattle numbers declined 2.7 percent in 1945. Total cattle numbers at the beginning of 1946 were estimated to be 80 million head, only 3.2 percent below the all-time high of January 1, 1944. The total number of sheep on farms at the beginning of 1946 was 44 million head, 7 percent less than the year before and 22 percent less than on January 1, 1942.

A further decline in cattle numbers, both of milk cows and other cattle, is in prospect this year. Numbers of horses and mules will continue to decline. Sheep numbers probably will decline also, but the rate of decline is likely to be less than in each of the preceding 4 years.

Meat output in 1946 is likely to be moderately greater than in 1945 and perhaps 40 percent above 1935-39. Hog slaughter will be larger than in 1945, as a 12 percent increase from 1944 is indicated in the 1945 fall pig crop that will be marketed chiefly in the spring and summer. Also, an increase from 1945 is in prospect for the 1946 spring pig crop that will be ready for market late this year.

Stocks of meat in commercial warehouses and meat-packing plants increased in January in spite of strikes in packing houses. Meat stocks in cold storage normally increase during January. Pork stocks on February 1 continued at a record low for the sea-

Index Numbers of Prices Received and Paid by Farmers

[1910-14=100]

Year and month	Prices received	Prices paid, interest, and taxes	Parity ratio ¹
1910-14 average	100	100	100
1915-19 average	162	150	106
1920-24 average	151	173	86
1925-29 average	149	168	89
1930-34 average	90	135	66
1935-39 average	107	128	84
1940-44 average	154	148	103
1945 average	202	174	116
1945			
January	201	172	117
February	199	172	116
March	198	173	114
April	203	173	117
May	200	173	116
June	206	173	119
July	206	173	119
August	204	173	118
September	197	174	113
October	199	175	114
November	205	175	117
December	207	176	118
1946			
January	206	177	116

¹ Ratio of prices received by farmers to prices paid, interest, and taxes.

son. Beef stocks in cold storage on February 1 were larger than on January 1, and above average for that date. By the end of January, the plants of the four major meat packers were back in operation under Government control. During the 10-day strike, about 60 percent of the federally inspected slaughter capacity of the country was affected; about 40 percent of the total commercial slaughter was held back.

Meat animal prices declined less than seasonally during the fall and early winter. Prices received by farmers for cattle averaged the highest on record for the season. Hog prices declined only slightly below ceilings in early January, as marketings of 1945 spring-crop hogs approached the peak for the season. Prices of all meat animals probably will continue high throughout the first half of this year, but prices of hogs may decline in the late spring when marketings of the large 1945 fall pig crop reach their peak.

DAIRY PRODUCTS

PROCESSOR subsidies on Cheddar cheese were discontinued on February 1. The removal of the subsidy will be accompanied by increases in wholesale price ceilings on Cheddar cheese of 3¼ to 4 cents per pound and in retail ceilings by 5 cents. This will not immediately affect prices received by farmers for milk in cheese areas, since cheese supplies probably will continue short of demand until midyear.

The gap between supply and demand for dairy products in November through January was the widest of the war period. Continuation of the high level of consumer purchasing power maintained a strong demand, while supplies reached a seasonal low point.

With supplies increasing seasonally, the gap between supply and demand at current prices, except for butter, is expected to disappear by midsummer. Under present price ceilings, prices received by farmers for whole milk may average slightly lower in 1946 than in 1945, while butterfat prices will be about the same. On the other hand, if price ceilings are raised or removed, moderately higher prices for whole milk and materially higher prices for butterfat are expected.

Milk production during 1945 reached an all-time high of over 123 billion pounds, 4 percent above 1944. This record level of production was due to the high rate of milk production per cow, almost 4,800 pounds, which exceeded any previous year. Favorable pasture conditions, ample feed supplies, and record unit returns were responsible for the high level of production per cow.

POULTRY AND EGGS

UNDER the 1946 price support program for eggs, announced late in 1945, purchases of dried whole, frozen, and graded shell eggs are to be made so that prices received by farmers may

average 29 cents per dozen nationally and 27 cents in the Midwest during the flush production season. This average price is expected to return at least 90 percent of parity, as required by the Steagall Amendment.

National goals for poultry and egg production in 1946, compared with indicated 1945 output, call for a decrease of 15 percent in egg production, 17 percent in the number of chickens raised, and of 10 percent in the number of turkeys raised. No goal for commercial broiler production in 1946 has been set.

Civilian demand for eggs in 1946 is expected to remain fairly strong although it will be weaker than in 1945 when consumer incomes were at a record level and supplies of meat were short. Per capita consumption of eggs may be as much as 10 percent below the 1945 consumption of about 390 eggs per person. Civilian demand for chickens and turkeys in 1946 is expected to be moderately below 1945. Production of poultry meat in 1946

may not be much different from that in 1945. Prices received for chickens and turkeys probably will average moderately lower in 1946 than in 1945.

Farm egg production in 1945 totaled 4.6 billion dozen, 5 percent below the 1944 record, but otherwise exceeding any previous year. An outstanding development was the record rate of lay which during 1945 averaged 118 eggs per hen and pullet on farms January 1, 1945. This rate of lay was 6 eggs above 1944 and 20 percent higher than in prewar years.

FATS AND OILS

GRADUAL improvement in civilian supplies of fats and oils is likely this year. For 1946 as a whole, the total supply of both edible and industrial fat-and-oil products will be more than the 65 pounds per capita available in 1945, although less than the prewar average of 74 pounds per capita. The increase in supplies will come mainly from an increase in domestic production of fats and oils,

Prices of Farm Products

[Estimates of average prices received by farmers at local farm markets based on reports to the Bureau of Agricultural Economics. Average of reports covering the United States weighted according to relative importance of district and State]

Commodity	5-year average		Jan. 15, 1945	Dec. 15, 1945	Jan. 15, 1946	Parity price Jan. 15, 1946
	August 1909-July 1914	January 1935-December 1939				
Wheat (bushel).....dollars..	0.884	0.837	1.46	1.54	1.54	1.56
Rice (bushel).....do.....	0.813	0.742	¹ 1.81	1.81	1.80	1.44
Corn (bushel).....do.....	0.642	0.691	1.07	1.09	1.10	1.14
Oats (bushel).....do.....	0.399	0.340	0.721	.703	.717	.706
Hay (ton).....do.....	11.87	8.87	17.10	15.40	15.70	21.00
Cotton (pound).....cents.....	12.4	10.34	20.26	22.84	22.36	21.95
Soybeans (bushel).....dollars..	² 0.96	0.954	2.06	2.09	2.09	³ 1.70
Peanuts (pound).....cents.....	4.8	3.55	8.14	8.32	8.37	8.50
Potatoes (bushel).....dollars..	0.697	0.717	¹ 1.57	1.37	1.45	1.29
Apples (bushel).....do.....	0.96	0.90	2.46	3.34	3.53	1.70
Oranges on tree, per box.....do.....	⁴ 1.81	1.11	1.98	2.71	2.12	³ 2.08
Hogs (hundredweight).....do.....	7.27	8.38	13.80	14.20	14.10	12.90
Beef cattle (hundredweight).....do.....	5.42	6.56	¹ 11.60	11.50	11.80	9.59
Veal calves (hundredweight).....do.....	6.75	7.80	¹ 12.90	13.50	13.60	11.90
Lambs (hundredweight).....do.....	5.88	7.79	¹ 12.90	12.90	13.00	10.40
Butterfat (pound).....cents.....	26.3	29.1	50.9	50.5	50.7	⁴ 48.4
Milk, wholesale (100-pound) ⁵dollars..	1.60	1.81	¹ 3.34	3.40	3.38	⁴ 3.00
Chickens (pound).....cents.....	11.4	14.9	24.2	23.8	23.5	20.2
Eggs (dozen).....do.....	21.5	21.7	41.0	48.2	41.1	⁶ 38.9
Wool (pound).....do.....	18.3	23.8	¹ 40.7	40.8	40.1	32.4

¹ Revised.

² Comparable base price, August 1909-July 1914.

³ Comparable price computed under section

3 (b) Price Control Act.

⁴ Comparable base price, August 1919-July 1929.

⁵ Does not include dairy production payments made directly to farmers by county AAA offices.

⁶ Adjusted for seasonality.

particularly lard and linseed oil. Export supplies of fats and oils from the Far East and other surplus-producing areas also will be larger in 1946 than in 1945, although still substantially below prewar. The first substantial output of whale oil since before the war is now being produced by British and Norwegian whaling fleets in Antarctic waters. United States imports of flaxseed from Argentina, copra from the Philippines, and tung oil from China will increase in 1946.

With national income continuing at a high level, consumer demand for fats and oils in the United States will remain strong in 1946. Export demand also is strong. In addition, as stocks of most fats and oils were unusually low at the beginning of 1946, there will be a strong demand for fats and oils to build up inventories. The total demand, at present prices, will exceed the supply. If price ceilings are raised or removed in 1946, prices of most fats and oils will advance.

The 1945 cottonseed crop, at 3,703,000 tons, was 24 percent smaller than a year earlier and the smallest since 1921. Cottonseed-oil output in the first half of 1946 will be unusually low, reflecting the small crop.

Production of peanuts picked and threshed, at 2,080 million pounds, was only 1 percent smaller than in 1944, and the 1945 soybean crop, at 191.7 million bushels, was 1 percent larger than a year earlier. With a relatively large acreage of flaxseed planted in 1945 and with good growing conditions, flaxseed production amounted to 36.7 million bushels, 59 percent more than in 1944.

Acreage goals for oilseeds in 1946 call for a 6 percent larger acreage of flaxseed to be planted than in 1945 but 12 percent fewer acres of soybeans harvested for beans and 21 percent fewer acres of peanuts picked and threshed. The cotton goal is 20.2 million acres, 11 percent more than

in 1945. Average returns of \$3.60 per bushel, Minneapolis basis, have been guaranteed for flaxseed produced in 1946. This is equivalent to an average of about \$2.40 per bushel to growers and is nearly the same as average returns for 1945 crop flaxseed, counting the \$5-per-acre payments on a per-bushel basis. Prices of farmers' stock peanuts will be supported at an average of 90 percent of the parity price on July 15, 1946. On the basis of the mid-January 1946 parity, this would be about 7 percent below the average price for the present season.

FRUIT

THE 1945-46 citrus fruit crop aggregating about 7.7 million tons, fresh basis, is a new record. If production turns out as large as expected, this will be the fourth consecutive crop to exceed production in the preceding year.

The 1945-46 grapefruit crop of 63 million boxes will establish a new record. This crop is about one-fifth larger than in 1944-45, when production was drastically reduced by a tropical storm. The California lemon crop of about 14 million boxes this season is about one-tenth larger than the preceding crop. On the other hand, the 1945-46 crop of oranges and tangerines, estimated at 110 million boxes, is slightly smaller than the record large 1944-45 crop.

Production of California oranges is smaller this season than last, that of Texas grapefruit is about the same, and that of Florida oranges and grapefruit is larger. The season for Florida oranges and grapefruit is expected to extend further into the summer than last year, because significant percentages of these crops consist of late-bloom fruit. Supplies of fresh citrus are expected to continue plentiful this winter and spring.

Supplies of commercial apples from storage this winter and spring will be only about half as large as a year

earlier, mainly because the 1945 crop was very short. However, supplies of pears from storage will be slightly larger than a year ago. Judging from the strawberry acreage, which is about one-fifth larger this year than last, production this spring may be considerably larger than a year earlier, though still much smaller than before the war.

Imports of other fruits, especially bananas, constitute an important part of current fresh fruit supplies. Imports of bananas, although on the increase, may not reach pre-war levels for a year or two. Later in the year, imports of fresh and canned pineapples will become of considerable importance. As usual, relatively small quantities of citrus fruits will be exported, mainly to Canada. Only minor quantities of deciduous fruits have been exported thus far this season.

VEGETABLES

WINTER-SEASON total production of 18 truck crops for fresh market shipment is indicated to be 44 percent above the 10-year (1935-44) average and smaller only than the production of 1944 and 1945. Of crops shipped to market out of current production, quantities should show the largest percentage increases over last winter for lima beans, cauliflower, celery, cucumbers, escarole and lettuce. Movement of storage cabbage and carrots will be larger than last winter, but dry onions will continue to be scarce.

Storage stocks of cabbage in the hands of growers and local dealers on January 1 are placed at 68,000 tons, or about 15 percent of the 1945 record high production of Danish (storage) type cabbage. Holdings this year are slightly more than three times as large as the record-low stocks on hand January 1 a year ago and about 22 percent above the 10-year (1935-44) average. Storage stocks of onions on January 1, 1946, at 5,722,000 sacks

(50-pound), were the lowest January stocks since 1932 and less than half the holdings a year earlier. Average holdings on January 1 are a little more than 7 million sacks. Disappearance of the 1945 crop before January 1 this year amounted to 79 percent of the total production of the late summer crop, compared with 68 percent last year and the 10-year average of 70 percent. Disappearance to January 1 this year constituted the largest percentage on record for the period.

Stocks of merchantable potatoes held by growers and local dealers in or near areas of production on January 1, estimated at a little more than 119 million bushels, were considerably larger than average and assure a plentiful supply of potatoes at least until the new crop potatoes begin moving in volume.

Carlot movement of potatoes since last September has been considerably smaller than might be expected in relation to the size of the very large 1945 crop. Shipments in December 1945, were less than in the same month a year earlier. On the other hand, very substantial quantities of potatoes have been purchased and diverted by the Government, and additional large quantities have been exported. Total exports of potatoes in the 1945-46 crop year may be over 15 million bushels.

Remaining stocks of sweetpotatoes, on the other hand, are expected to be insufficient to supply the demand at ceiling prices. Last year's crop was slightly below average and shipments to date have exceeded those of a year earlier, although the 1944 crop was about 7 percent larger than the 1945 crop.

TOBACCO

DISAPPEARANCE of leaf tobacco is continuing at a high level, although below the wartime peak. Domestic manufacturing during 1945 was at a peak, despite the cut in mili-

tary purchases and the sharp drop in industrial employment and factory payrolls. Total domestic use in 1946 may be substantially less than in 1945, although that of some types may increase.

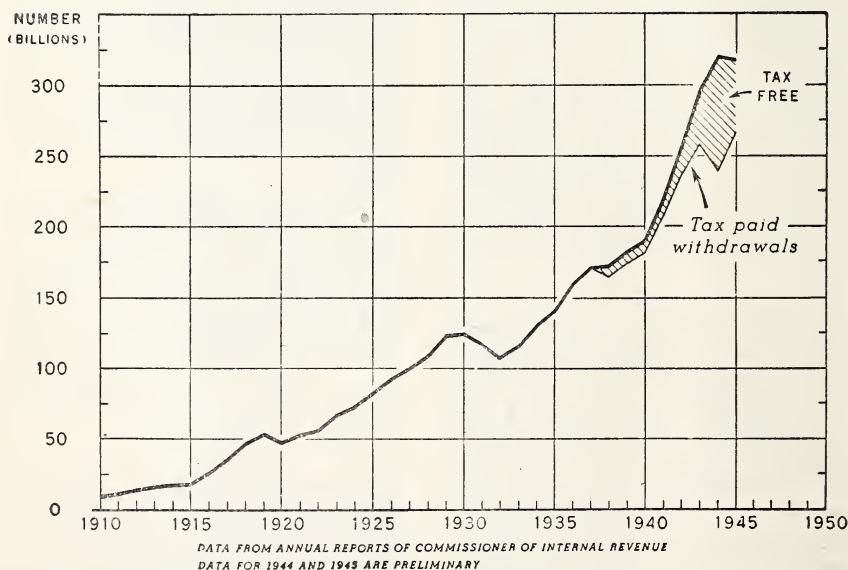
Approximately 335 billion cigarettes were produced by domestic manufacturers in 1945, or about 15 billion above 1944. Of this total, about 275 billion were for domestic use and 60 billion were shipped overseas. The present monthly rate of domestic cigarette consumption, as measured by sales of revenue stamps, is higher than a year ago, but below the peak of last October. Domestic cigar consumption in 1945 totaled about 5.1 billion, compared with a wartime peak of 6.2 billion in 1942, and a 1934-38 average of 5.2 billion. Consumption of chewing tobacco, smoking tobacco, and snuff is continuing at a high rate but below the wartime peaks.

Demand for leaf tobacco is exceptionally strong again this season, and

prices of most all types except burley are at or near all-time highs. Despite the sharp drop in burley prices, tobacco growers generally are expected to receive more than 900 million dollars from the 1945 crop, compared with 816 million for the 1944 crop. The 1945 production, now placed at 2,041.8 million pounds, constitutes the largest volume of tobacco ever produced in any single year in this country. Price ceilings apply to all types of 1945 crop except cigar and dark tobacco.

Tobacco acreage goals for 1946 call for an increase in all major types except burley and dark air-cured. In view of the large carry-over and the size of the 1945 crop of burley tobacco, a smaller burley acreage than in 1945 has been recommended. Goals are based on the present level of stocks of the various types of tobacco, the probable domestic and foreign requirements, and tobacco production capacity within each tobacco-growing state

CIGARETTE PRODUCTION IN THE UNITED STATES, 1910-1945



Prospective Crop Yields in 1946

PEAACETIME demands for American farm products continue strong but in varying proportions for different commodities. The world looks to the United States to furnish products of the soil in perhaps greater quantities than any other nation on earth. Farmers throughout the Nation are now making their final plans for 1946 farm production. The broad pattern of this production, however, has been in the making for several years—a normal sequence, because the outcome of one year influences the plans for the next.

Indications now point to 1946 crop yields per acre, with average growing conditions, nearly 30 percent higher than during the 1923–32 predrought period though slightly below the 1945 level. Yields in 1946 should average at least the fourth highest of record, being below only those of 1942, 1944 and possibly 1945. These prospects will, of course, change from month to month as the season advances. Should weather be more favorable than average, aggregate yields per acre could easily go higher than this and equal or exceed those of 1945, which averaged about 30 percent above the predrought period. On the other hand yields could be lower than now anticipated if even a few bad “breaks” occur in the weather or should unusual outbreaks of disease and insects ravage big areas of crop production. However, severe outbreaks of drought, disease, insect and other adverse conditions seldom strike all parts of the Nation during any one growing season. During the past 9 years, aggregate crop yields have averaged about 23 percent above the 1923–32 predrought period.

Factors Favoring Good Yields

It is possible to identify some factors that have determined crop yields in past years and calculate what may be expected, either during a period of years or for individual years, assum-

ing that weather will be about as favorable for crops as the average of past periods. Some allowance can be made for certain facts now known or other probabilities that will have a bearing on yields for the 1946 crop season, as (1) present prospects for winter wheat sown last fall, (2) above-average reserves of subsoil moisture in most of the western half of the country, except in parts of the Great Plains, (3) the probable near-record supplies of fertilizers in prospect, (4) cumulative effects of the heavy applications of lime in the East, (5) the continuing expansion of hybrid corn acreage in and outside the Corn Belt, (6) expanded use of improved varieties of wheat, oats, soybeans, potatoes, sugar crops and many other crops, (7) a continuing tendency toward utilization of the most productive land for such crops as cotton, corn, soybeans, flaxseed, dry beans, potatoes, and a few other crops, (8) price supports and strong demand which go far toward stimulating good care of crops and reducing their abandonment.

Very favorable weather often tends to increase crop yields and production, which sometimes results in lower prices and in incomplete harvesting of some crops. However, during the war favorable prices, coupled with almost unlimited demand, minimized this factor and resulted in more complete salvaging of crops. It now appears that these conditions will prevail again in 1946. However, even in 1945 conditions were so extreme that some crops, such as cotton, rice, and buckwheat, were not completely saved.

Among a few factors, however, which may tend to lower the aggregate yield slightly during 1946 are: (1) the rather poor moisture reserves in large areas of the Great Plains, especially in the Dakotas, Montana, parts of Nebraska, Western Kansas and the wheat areas of Oklahoma, Texas and New Mexico, (2) diversion from crops

to sod, or less intensive cropping of some lands, especially in the Western Corn Belt, Great Plains and the South, which have been heavily cropped during the war years.

After making allowances for weather variations of past years, it is evident that aggregate yields per acre have been rising at the rate of about 1 percent per year for the past 20 years. Weather has, no doubt, been one of the most effective influences in increasing aggregate crop yields the past few years. Wartime prices and conditions also greatly influenced yields. For the country as a whole present weather factors seem somewhat similar to those at the beginning of 1942. However, there is considerable variation by regions.

Regional Yield Picture

Yield forecasts at this season of the year can best be made by reviewing prospects for each part of the country and for each crop, in comparison with past years. All such forecasts, however, must be accepted with reservations because of the limited period of years for which adequate records of factors affecting yields are available.

The Great Plains area, the 10 States extending from North Dakota and Montana southward through Texas and New Mexico, includes about 40 percent of the country's cropland. Yields in this big, but often unpredictable area have frequently been the key to the national level. Here crop yields are greatly affected by pre-season rainfall. They are highly correlated with moisture measured from the previous September through August of the current year, plus some allowance for the amounts of reserve subsoil moisture and for the adverse effect of hot weather during the summer or growing season. Factors which influence crop yields in other areas do not always exert a comparable influence on yields in this region. Rainfall in this area during the past five crop seasons seems to have been

more plentiful than for any previous 5-year period during the last 50 years. Cool weather during the summer months is usually beneficial for small grains, as may be noted from the effect of the rather cool June last year on wheat yields. Allowing for continued increase in hybrid corn acreage, improved varieties of oats, wheat, and other crops, aggregate crop yields for the Great Plains area this year should be about 10 to 12 percent above the 1923-32 average provided average weather prevails.

Moisture reserves in the Plains area are not as favorable as last year at this time. The best that can be said is that present prospects are not as good as a year ago, but if spring and summer rainfall are about average and summer temperatures are not excessive, much of the probable effect of the present moisture deficiency can be overcome. Present moisture reserves are not sufficient to maintain small grains at optimum conditions. Likewise hay, sorghum grain and corn, will need additional moisture next summer.

In most other areas there seems reason for optimism regarding prospective yields in 1946. Almost everywhere east of the 100th meridian and in the northern Mountain and Pacific Coast States soil moisture reserves are adequate. The disappearance of snow cover over most States east of the Rockies during early January, under the influence of mild temperatures, however, may be detrimental to fall-sown grains if severe cold weather should come before another snow. In the Northern States east of the Great Plains and also in the seven States west of the Rockies, areas having about 34 and 6 percent, respectively, of the nation's cropland, composite yields of field crops should equal and probably exceed those of 1945, assuming average weather, but yields in individual States may differ materially.

In the far West, particularly the Pacific Northwest, moisture reserves

are ample and prospects now appear the best for many years. Irrigation water prospects in the Columbia River basin are very good, with adequate supplies already assured as a consequence of large carry-over storage in reservoirs and a snow pack almost as great as is usually measured on April 1. Preliminary reports indicate that water prospects in most other Western irrigated areas appear ample. Recent floods in some sections of Washington and Oregon are not expected to have appreciable effects on 1946 crop yields.

The Western Corn Belt suffered from the wet spring last year, and elsewhere in the Corn Belt one or more crops suffered from wet weather, dryness or frosts. In the South, east of Texas and Oklahoma, an area comprising about 20 percent of the crop land, prospects are that the yields of cotton and grains, with the possible exception of corn, will exceed those of last season. This assumes that the quantity of fertilizer used will continue at a record or near-record level, which seems probable with the adequate over-all supply that is expected to be available in 1946.

Crop-by-Crop Appraisal

A more accurate appraisal of the aggregate crop yield level can be made by reviewing the record for each crop separately. It is possible to adjust yields obtained in any year to the level that they would have been with average weather. This can be done by using the reported condition at harvest-time. Comparing the adjusted yields for a series of years, the year-to-year changes due to such developments as hybrid corn, new varieties of other crops, liberal use of more suitable fertilizers, shifts to irrigated land or high-yielding areas and other factors can then be seen. This analysis shows that under present conditions the trend in crop yields continues upward. Taking into consideration such factors, the most probable yield of corn in the United States this year appears to be

about 33 bushels per acre. This would be about equal to that of the past 2 years, and except for 1942, would rank among the highest of record. Should the 1946 acreage equal the national goal of about 96½ million planted acres, and abandonment be about 3 percent, a crop bigger than last year's production of 3 billion bushels would result.

The December estimate of the current winter wheat crop indicated another increase in acreage planted, with a yield of 16.3 bushels per harvested acre. Even with subsoil moisture somewhat unfavorable in some areas of the spring wheat country, especially the Northern Great Plains States, it seems reasonable to expect an average yield per acre of about 16 bushels for all wheat and a total wheat crop exceeding a billion bushels, but by a smaller margin than in the past 2 years.

The splendid performance of some new varieties of oats, coupled with big acreages and very favorable weather, resulted in a 1945 yield of over 37 bushels per acre. New varieties of bright promise continue to be developed. Even so, current factors point to about 33.5 bushels for 1946. Barley prospects indicate a yield of about 23.5 bushels.

The December estimate of the 1945 yield of cotton was 250 pounds per acre, though considerable cotton remained to be picked in a few States. A study of current factors, assuming that cotton will continue to go on the more productive cotton land, continued use of near record applications of fertilizers, and continued technological improvement in production methods, all point to a yield of about 266 pounds per acre for 1946. This would be the fourth highest of record, exceeded only in 1937, 1942, and 1944.

With the high price of tobacco which has prevailed for several years and the fact that tobacco land will continue to be well fertilized in 1946, a yield of about 1,080 pounds seems possible.

This yield has been exceeded only twice, in the last 2 years.

There has been a sharp upward trend in potato yields in recent years, with the 1945 yield being the highest of record. The shift toward the concentration of acreage in the high-yielding commercial areas is one of the major factors contributing to higher yields for the country as a whole. Other factors contributing to better yields are improved cultural practices and the use of new and higher yielding varieties with a larger proportion of the acreage planted to certified seed. Some reduction in the acreage grown in commercial areas is expected in 1946. There is a record supply of certified seed and under normal growing conditions a yield of about 140 bushels per acre—a yield about equaled in 1943 but exceeded only by the 1945 yield of 151 bushels—can be reasonably expected. There seems to be no definite trend in sweetpotato yields but a yield of about 88 bushels per acre appears to be a reasonable expectation.

Reduction in soybean acreage seems probable this year. Improved varieties are affecting soybean yields. Taking into consideration such factors, a yield of about 18.6 bushels seems possible in 1946, the fourth highest of record. If the 1946 goal is reached, a

crop of about 175 million bushels would result. Yields of about 660 pounds of peanuts and about 875 pounds of dry beans per acre may be expected this year, considering the probable distribution of the acreage.

Yields of flaxseed and rice have been little affected by acreage shifts but acreages of both crops were increased last year. They are generally grown in well-defined areas. About 8.8 bushels of flaxseed and about 47 bushels of rice per acre are all that should be expected this season.

Sorghum grain yielded only about 15 bushels in 1945, although the average yield was about 18 bushels during the previous four seasons. Late planting and early frosts reduced yields last year. Allowing for current factors and performance under like conditions in past years, a yield of about 16 bushels seems possible.

Due to late spring freezes and poor pollination the 1945 apple production was the lowest of record. With high prices and strong demand, orchards are receiving better care. Under average conditions it seems that this year's yields per acre should be about double last year. Barring unusual losses from freezes and storms, 1946 yields per acre of bearing trees for apples, other deciduous tree and vine fruits, and citrus, as a group, should

1946 Prospective Crop Yields per Harvested Acre, United States Average with Comparisons

Years	All corn	All wheat	Oats	Barley	Tame hay	Cotton	Soy-beans	Dry beans	Pota-toes	To-bacco	28 crops (percent of 1923-32 average) ¹
	Bu.	Bu.	Bu.	Bu.	Tons	Lb.	Bu.	Lb.	Bu.	Lb.	Pct.
1880-99	25.9	13.4	27.5	23.7	1.25	182			82	732	
1900-19	26.6	14.3	29.9	23.2	1.31	185			96	818	
1923-32	25.4	14.4	30.2	22.6	1.28	170	12.9	667	112	770	100.0
1934-43	26.8	14.7	29.6	22.3	1.34	231	17.6	872	124	926	111.9
1942	35.2	19.8	35.6	25.5	1.53	272	18.7	987	137	1,023	136.2
1943	32.1	16.6	29.6	21.9	1.43	254	18.1	870	140	965	124.1
1944	33.0	18.1	29.8	23.0	1.41	294	18.3	791	131	1,117	132.7
1945	33.1	17.3	37.3	25.9	1.53	250	17.6	864	151	1,106	130.2
Prospective 1946 ² ..	33.0	16.0	33.5	23.5	1.42	266	18.6	875	140	1,080	129.1

¹ Crops included in the average, in addition to the 10 listed in the table, are sorghum grain, rye, flaxseed, rice, wild hay, peanuts, sweetpotatoes, sugar beets, apples, 4 citrus fruits (oranges, tangerines, grapefruit and lemons) as a group; and 6 other fruits (peaches, pears, grapes, plums, prunes, and apricots) as a group.

² Indications in January 1946. Actual yields can be expected to be higher or lower to the extent that subsequent weather is more favorable or less favorable than average.

average about 12 percent above last year and about 55 percent higher than the base years of 1923-32.

Combining these yields in proportion to the relative importance of the crops during the 1923-32 predrought period, aggregate 1946 yields are likely to average well over a fourth higher than during that period. Looking at the component parts of such an increase, about 37 percent of the total expected gain results from the relatively high

yield of cotton, and 27 percent from improvement in corn. Increased yields of small grains and hay are expected to account for about 13 percent of the total gain, potatoes 4 percent, tobacco 5 percent and fruits about 12 percent. Despite a few adverse factors, present prospects appear favorable for another good crop year in 1946.

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Farm Price Supports for 1946

THE year 1946 is the sixth year of the farm price-support program. First begun in 1941, the program has served the dual purpose of encouraging the production of crops and livestock necessary to win the war and, at the same time, of protecting farmers against price declines.

In order to assure needed production, many commodities have been supported at levels substantially above 90 percent of parity, the minimum required by law for those commodities for which price supports are mandatory. And in 1946 supports for some commodities are continued above the 90 percent level in order to assure production to meet prospective needs. In exceptional cases, such as sugar beets and sugarcane, announced support prices in 1946 are higher than in 1945.

For a number of other commodities, requirements have been reduced as a result of the end of the war. The role of price supports as a means of assuring needed production of these commodities is of less significance in 1946 than previously, and the minimum level of support required by law has been the chief consideration in determining the level of price support.

Shortly after the inauguration of the price support program in 1941, Congress passed specific legislation defining the minimum levels and the

period of time for which price supports must be continued in order to protect farmers from a possible sudden drop in prices resulting from the end of the war.

Under this legislation, the Government is required to support the prices of basic commodities at 90 percent of parity (92½ percent in the case of cotton) unless marketing quotas have been voted upon and disapproved. Prices of nonbasic commodities, which farmers were publicly requested to expand in production during the war, must be supported at not less than 90 percent of parity until the expiration of a 2-year period beginning with the first day of January following the official declaration of the end of hostilities. Since no declaration has yet been made, farmers are assured these supports for at least the next 3 years.

The price support legislation also declares it to be the policy of Congress that lending and purchase operations be carried on by the Government so as to bring the prices and income of producers of nonbasic commodities, not covered by public announcement, into a fair parity relationship with other commodities, to the extent funds are available, and after taking into account the ability of producers to bring supplies into line with demand.

For price support purposes, therefore, commodities may conveniently be divided into three groups—basic commodities, nonbasic commodities covered by public announcement, and other nonbasic commodities.

The basic commodities include corn, wheat, cotton, peanuts for nuts, rice, and tobacco. These commodities will be supported during 1946 as in 1945 by means of loans at 90 percent of parity (92½ percent in the case of cotton) as required by law.

The nonbasic commodities covered by public announcement, and which, therefore, must be supported at not less than 90 percent of parity or the comparable price, include hogs, eggs, butterfat, milk, chickens (excluding chickens weighing 3½ pounds or less and all broilers), turkeys, specified varieties of dry edible beans and peas, soybeans for oil, flaxseed for oil, peanuts for oil, potatoes, cured sweet potatoes, and American-Egyptian cotton. Some of these commodities will continue to be supported at levels above 90 percent of parity during 1946 in order to assure the production required to meet prospective needs. For others, including hogs, eggs, and potatoes, price supports designed to assure producers 90 percent of parity, the minimum required by law, have been announced. In the case of hogs, it is expected that market prices which producers will be able to obtain under existing ceilings will be higher than the announced support level.

Dry edible peas will be supported in 1946 at 90 percent of the comparable price as of July 1, 1946. Last year, supports were somewhat above 90 percent of the comparable price.

By mid-February no announcement had been made with respect to support prices for milk and butterfat. Market prices in 1945 were substantially above 90 percent of parity and there is little likelihood that market prices in 1946 will drop as low as 90 percent of parity. In addition, dairy farmers received production payments in 1945 at rates

which averaged about 13 cents a pound on butterfat sold as farm separated cream and about 55 cents a hundredweight on whole milk sales. These payments are scheduled to continue through June 1946. If they are terminated or reduced after June 30, price ceilings will be adjusted upward by approximately a corresponding amount so as to maintain returns to farmers at about the same level as in 1945.

Likewise, by mid-February no announcement of support prices for 1946 had been made for chickens, turkeys, dry edible beans, cured sweetpotatoes, or American-Egyptian cotton—all of which must be supported at not less than 90 percent of parity or the comparable price. In 1945 prices of chickens and turkeys were supported at 90 percent of parity. Cured sweetpotatoes and American-Egyptian cotton were supported by means of loans in 1945 at prices calculated to reflect 90 percent of parity to producers. Price supports on dry edible beans were above parity in 1945.

The commodities in the third group—the nonbasic commodities not covered by public announcement—for which price supports were in operation in 1945 included designated vegetables for canning, designated fruits for canning and drying, wool, naval stores, sugar beets and sugarcane, rye, barley, grain sorghums, designated winter cover crop seeds, and certain hay and pasture seeds.

Price supports on these commodities are not mandatory and some may be dropped from the 1946 program. The only ones for which price supports have been announced so far are sugar beets and sugarcane and winter cover crop seeds. Although no announcement has been made with respect to the price support for rye, barley, and grain sorghums, it is likely these grains will again be supported in 1946 by means of loans based upon the loan rate for corn and relative feeding values.

Prices of vegetables for canning will not be supported in 1946. The area average prices to be used by OPA as the raw material cost basis in computing canners' ceiling prices on sweet corn, green peas and tomatoes are the same as last year. No prices have been designated for snap beans as it is contemplated that the 1946 pack will be exempted from price ceilings.

The methods to be used in supporting prices and the levels of support for the commodities for which 1946 supports have been announced follow.

Hogs.—The present price support of \$13 per hundredweight at Chicago, with no seasonal variation, continues in effect until September 30, 1946. During the market year beginning October 1, 1946, hog prices will be supported at an average support price for the year of \$12 per hundredweight, Chicago basis. The support varies by weeks through the season from a low of \$10.75 in December 1946 to a high of \$13.25 in September 1947. This is the first time that seasonal variations have been applied to support prices for hogs. The new support prices apply to hogs bought by federally inspected slaughterers throughout the United States, based on geographic differentials, above and below the average Chicago support price.

Eggs.—Egg prices will be supported through Government purchases of dried, frozen, and graded shell eggs at prices designed to reflect a United States average farm price of 29 cents a dozen for edible eggs during the spring season of flush production. For the Midwest, where prices historically average lower, the support program is intended to reflect an average farm price of 27 cents a dozen.

The support program will stress the purchase of dried whole eggs as the principal method of price support operations. Vendors will be required to certify that producers have received not less than the announced support prices of all eggs purchased from them by the Government. Pur-

chases of graded shell eggs will be limited so far as possible to those areas in which drying and freezing capacity is not sufficient to take care of local surpluses and where temporary surpluses threaten to cause prices to decline below support levels.

Sugar beets.—Growers of sugar beets are guaranteed a national average return, including Sugar Act payments, of not less than \$13.50 per ton of beets. This compares with \$12.50 in 1945. Payments will be made to growers by means of price supporting contracts with processors.

Sugarcane.—Growers of sugarcane for sugar in Louisiana, Florida, Puerto Rico, Virgin Islands, and Hawaii will receive \$2.10 per ton of average sugarcane, the payment in each producing area to be graduated upward or downward in accordance with the ratio of sugar recovered from the deliveries of the individual producer to sugar recovered from all deliveries in each area. Payment in the case of Louisiana growers will be equivalent to \$2.04 per ton of standard sugarcane and compares with \$1.60 per ton paid in Louisiana and Florida in 1945. The payments will be reduced to the extent of any increase in market prices. Details of the program, which will be carried out by the Commodity Credit Corporation, are to be announced.

Soybeans.—Prices will be supported for soybeans at \$2.04 a bushel, the same as the prices for last year, for the basic grades delivered to country elevators or other normal delivery points. Details of the exact method of price supports are to be announced in the near future.

Flaxseed.—Returns to growers from the flaxseed crop harvested in 1946 will be supported by acreage payments or otherwise at an average level equivalent to \$3.60 a bushel, Minneapolis basis. The exact method of price support will be determined and announced before the new crop flax is

marketed. In 1945, the support price of flaxseed was \$3 per bushel, Minneapolis basis, and was supplemented by production payments of \$5 per acre to growers participating in the goals program.

Potatoes.—Potatoes will be supported at levels calculated to assure producers 90 percent of parity by means of purchases of early and intermediate potatoes and loans on late potatoes. The program differs from that in operation in 1945 in two major respects. First, there is no advance announcement of support prices for grades below U. S. No. 1 at fixed amounts or at fixed percentages of the applicable prices for U. S. No. 1 grade. Instead, prices of lower grades exclusive of culls, will be supported at such times, in such areas, by such means, and at such prices as will be necessary to carry out the Government's support obligations. Eligibility for support of U. S. No. 1 potatoes may also be made contingent upon meeting prescribed conditions governing disposition of grades lower than U. S. No. 1. The second major change from the 1945 support program is that the announced support prices are base prices at a stage of distribution described as "in bulk loaded on truck at farmer's gate." Formerly the support prices were at the f. o. b. level. The actual price to be received by any grower participating in the price support operation will be the appropriate base price adjusted for the value of the marketing services actually performed. Announced support prices for 1946 reflect

to growers approximately 20 cents a hundredweight less than 1945 support prices after deducting marketing charges. Under the 1945 program, grower prices averaged 137 percent of parity January to August, inclusive, and 104 percent of parity September to December, inclusive.

Peanuts.—Peanuts grown in 1946 will be supported at prices calculated to reflect 90 percent of parity as of July 15, 1946, by means of purchases and loans. The specific level of price support will be announced after the July parity has been determined. Purchases under the program will be made until July 30, 1947, and loans will be available until January 31, 1947.

Winter cover crop seeds.—Winter cover crop seeds produced in 1946 will be supported through a purchase and loan program. Purchases from farmers of recleaned bagged seed which is fumigated when necessary will be made on the basis of the following prices per pound of top quality seed: Hairy vetch, 12 cents; Willamette vetch, 6 cents; crimson clover, 11.5 cents; and common ryegrass, 7.5 cents.

Nonrecourse loans will be made available at the rates per pound indicated for the following seeds of top quality: Austrian winter peas, 3.5 cents; rough peas, 5 cents; and blue lupine, 5 cents. Discounts are provided for seeds which fail to meet specifications.

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Farm Machinery Prospects

WITH farmers called upon for another year of top production, one of the important factors affecting their spring planting decisions will be the availability of farm machinery and other farm equipment. Faced with

another year of a tight labor supply along with overused, and in some cases worn out, farm machinery, farmers have a 1946 goal asking for roughly 10 million more acres to be planted or grown than in 1945. This goal

looks toward a production, as during the war, of about a third more than the 1935-39 average.

To meet these goals many farmers will need new machinery or replacements, while many others would like to obtain some even though their present equipment is not exactly in critical condition. In general, farmers are in a financial position that would permit them to purchase equipment if it were obtainable, not only to satisfy acute needs but also to embark on a long range farm equipment replacement program. If new machinery were available, shortages of farm labor would stimulate further mechanization this year and thus create more need or desire for farm equipment. Veterans are being given priority in farm machinery purchases. All these influences exert considerable pressure on the supply of farm equipment available for distribution.

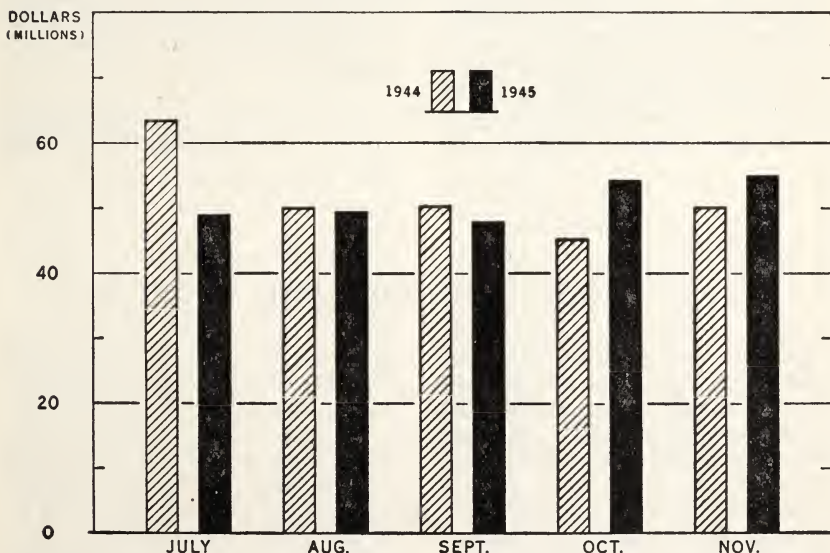
Even though quota restrictions on farm machinery production were removed last August, manufacturers have encountered many problems since

then which have retarded capacity production. Manpower and material difficulties have been critical. Shut-downs because of industrial unrest have already cost considerable production. Suppliers of raw materials and component parts have also had labor problems which have retarded the manufacture of farm machinery. Despite these obstacles, production in November and December was above that of the preceding two months. In January, however, production was further retarded by additional shut-downs.

In view of all the conditions affecting farm machinery manufacture and distribution, there appears little likelihood that farmers this year will be able to obtain all the machinery they will wish to buy.

Total production reported by 300 manufacturers representing more than 90 percent of the industry for the 5-month period July to December 1945 was less than for the comparable period of 1944. July, August, and September production of 1945 re-

PRODUCTION OF FARM MACHINERY, JULY-NOVEMBER, 1944 AND 1945 COMPARED



mained fairly constant at approximately \$48,000,000 per month, while more favorable conditions during October and November brought increases to \$54,169,000 and \$54,971,000, respectively. Over-all production during these latter two months showed a modest increase above the corresponding months of 1944.

Repairs, haying machinery, planting, seeding, and fertilizing equipment, and cultivators and weeders were the classifications showing the largest dollar volume decreases over the total five-month period, while attachments, irrigation equipment, and domestic water systems reflected substantial increases. In the table is a comparison of the classifications of farm machinery production for corresponding periods for 1944 and 1945, in dollar volume.

It is expected that the critical materials and manpower problems of the farm machinery industry will become easier in the next few months. This will result in larger production, month by month, but the pent-up need and desire for new equipment will probably far overshadow this increase for sometime to come.

Planting, seeding and fertilizing equipment, tractors, plows and listers, as well as other spring equipment, will be extremely short for the next few months. It is expected that haying, harvesting, and other equipment for

Farm Machinery Production, July through November, 1944 and 1945¹

[Dollar Volume]

	1944	1945
Tractors for farm use.....	\$64, 501, 915	\$64, 450, 685
Tillage, seeding, fertilizing equipment.....	17, 758, 289	17, 476, 226
Cultivating, weeding, spraying equipment.....	8, 577, 042	8, 835, 611
Harvesting, haying, market preparation equipment.....	34, 905, 905	32, 176, 197
Dairy, poultry, barn equipment; farm elevators.....	14, 920, 677	16, 263, 139
Wagons, nonmotor trucks, and gear.....	1, 431, 771	1, 626, 325
Water systems, pumps, irrigation equipment....	13, 652, 272	16, 499, 905
Attachments, miscellaneous equipment.....	17, 164, 051	22, 116, 391
Repair parts.....	83, 787, 278	72, 711, 459
Total.....	256, 692, 200	252, 156, 038

¹ As reported by 300 manufacturers representing 90 percent of total production.

later summer use will be coming off the production lines in much larger volume than in 1944, although this volume will not be sufficient to materially satisfy the demand for these machines. Therefore it is advisable that farmers survey their needs for 1946 early and carefully plan needed repairs and reconditioning to extend the life of their equipment until production becomes large enough to provide a balance between supply and demand.

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Farm Labor Problems and Programs

AFTER 4 war years of record production, American farmers are again being called on for another year of top production—and in the face of a continued tight farm labor supply. World-wide needs for the product of the soil of this Nation, together with the high level of demand by American civilians and armed forces, necessi-

tated the setting of agricultural goals for 1946 looking toward a production a third above the 1935-39 average.

In the 5 years since January 1940, shifts from agricultural to non-agricultural employment, and enlistments and inductions of farm people into the armed forces have resulted in a loss of slightly more than 5 million persons

from agriculture—a net decrease of 16 percent in the farm population. And, despite the relaxation of manpower controls along with cutbacks in industry and releases from the armed forces, no significant increase in the farm labor force is in prospect for some months to come.

Many Adverse Factors

The chief factors contributing to the slow increase in the farm labor force appear to be: (1) reluctance of veterans and war workers to accept farm employment because of agricultural job insecurity, working conditions, and wage differentials between farm and non-farm work; (2) savings and unemployment compensation to tide workers over a rather extended period with the hopes of securing industrial employment as reconversion progresses (if strikes are not protracted too long); (3) lack of adequate housing, sanitation, educational facilities, and other services on farms; (4) retirement from the farm labor force of older people, return of large number of youths to school, and return of many housewives to homemaking.

However, the farm labor force is not expected to decline below that of 1945 as present trends indicate that veterans and war workers returning to farms will offset the number of older persons and others who are retiring from the work force. But present signs point to a tight labor market for a good many months to come, and possibly for a few years. The experiences after the first World War further support this belief. As late as August of 1920, nearly 2 years after the Armistice, the Department of Labor in analyzing the shortage of farm labor at that time, due in part to the reluctance of veterans to return to farms, pointed out the desirability of continuing the importation of Mexican nationals to help with harvest operations.

All facts about farm labor needs and supplies for 1946 point to the necessity of more intensive recruitment of local

labor than in 1945, by the State and County Extension Service as well as by other agencies. And, where necessary, interstate and foreign workers will be employed to supplement local labor supplies. In 1945 more than 234,000 domestic farm laborers were placed in farm jobs by the Extension Services, and thousands of others, stimulated by press and radio appeals, made their own arrangements to work for farmers last year. In addition, nearly 120,000 foreign workers were utilized by farmers last year in 40 States. It is interesting to note that of the 22 million man-days of work available to these foreign workers, only 10 percent of the days were lost because of unfavorable weather, illness of the workers, or for other reasons.

To help effectuate the full employment concept, the Secretary of Agriculture and many other farm leaders, in testifying recently at congressional hearings, urged the greatest possible utilization of American workers in agriculture. Thus the Department of Agriculture in 1946 plans to intensify past recruitment programs by assisting veterans and displaced war workers to find employment on farms, and, by mobilizing women, youth, and others, to assist the regular farm labor force on a full or part-time basis. In addition, more effort will be directed toward aiding farmers and workers to obtain greater output per worker.

Mobile Task Forces

Where these programs fail to provide the necessary American workers, the Department stands ready to provide farmers with foreign workers. Plans are ready to recruit, transport, provide health services, and assist in housing and feeding slightly fewer foreign workers in 1946 than in 1945, to meet farm labor requirements where the need cannot be met from any other source within the United States. Foreign workers will be utilized as mobile task forces to be rapidly shifted from various crop areas to assist in

planting, cultivating, and harvesting operations as needed. Because these workers will be utilized as mobile task forces, allocations to States must of necessity be flexible and at all times subject to the critical labor needs of specific areas. In addition, the labor

camp operated by the Department, for housing foreign, interstate, or migratory agricultural workers, will help facilitate the movement of seasonal workers.

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Seed Supplies for 1946 Crops

SEED supplies are generally adequate for growing the crops called for in 1946 goals but for the best returns it may become necessary to make some careful selections and substitutions. For example, farmers in some areas may find it impossible to get the alfalfa or clover seed they need. But in general larger supplies of improved seeds of many kinds are available and these should be used to get the highest yield.

In the transition from a tremendous war output of intertilled crops to a long time program of balanced production, agriculture is faced with inadequate supplies of legume seeds. Both in this country and abroad, the demand is far in excess of the current supply, and it therefore, becomes necessary to make it go as far as possible. This means more effective use of seed by better preparation of the seed bed and lighter seedings or use of mixtures. Finally, it means substitution of other crops until a large supply of legume seeds is available.

Alfalfa Seed Supplies Short

Alfalfa seed adapted to conditions in the Northern States is particularly short of requirements this year. The 1945 alfalfa seed crop was about the same as in 1944 and only 3 percent below the 10-year average, but the crop in the Northern States was 17 percent below that of 1944 and 27 percent below the 1934-43 average. Considering the fact that many farmers would like to increase their alfalfa

acreage this year, it becomes evident that the supply of alfalfa seed must be stretched by every means possible.

Many farmers get good stands of alfalfa with only half as much seed as some of their neighbors use because proper preparation of the land is such an important item. After all there are about 220,000 alfalfa seeds per pound and only 43,560 square feet per acre so each pound of seed per acre means five seeds per square foot. Lime and phosphate, together with inoculation, a firm seed bed and proper seed coverage become most important this year. The seed supply will go farther if more of the alfalfa is seeded in a mixture with brome grass, a practice which has demonstrated its value in many States.

Cooperation on the part of farmers to make the supply of adapted seed go as far as possible is far more desirable than the use of unadapted alfalfa seed. As seed supplies of the wilt-resistant strains are increased, there will be renewed interest in growing more alfalfa.

Red Clover Seed Demand Strong

Red clover continues as the principal legume on farms in the Corn Belt and in many other Northern States. As more farmers have put lime and phosphate on their land they have found that red clover could be grown successfully again. This explains in part why there is renewed interest in red clover at this time and

why many farmers are using clover in place of alfalfa. The supply of red clover seed is about 8 percent less than a year ago although about 40 percent larger than the 1934-43 average. This is not as much seed as could be used this year but it will enable farmers to seed a large acreage to red clover.

As with alfalfa, there is need to make the supply go as far as possible by proper preparation of the seed bed and prudent use of seed. These are desirable practices at any time but they achieve a most significant purpose at this time when it is so necessary for farmers to develop their farms into efficient operating units. Efficient production is associated with high productivity and legumes are basic materials in developing it on the average farm. Efficient and abundant production is the way to better living and red clover will contribute much to this in the years ahead.

Alsike clover does not comprise a large acreage in comparison with alfalfa or red clover but it is important on many farms where soil conditions give it an advantage over other hay crops. The supply of seed is about a fourth more than last year, but about 10 percent below the 5-year average. This will enable farmers to seed a considerable acreage to alsike clover but again the demand exceeds the supply and there is need for attention to the effective use of this seed.

Sweetclover seedings during the past five years were far short of normal. As farmers make their adjustments to a peacetime program, they will use more sweetclover for pasture and hay. The present supply of seed is sufficient to permit some expansion in the sweetclover acreage but the total seed supply is only about two-thirds as much as was used in prewar years.

Lespedeza seed supplies are adequate so farmers can expand their acreage where this crop is adapted. Pasture and hay production in many

States is dependent upon adequate supplies of this seed.

Grass Seed Supplies Adequate

Grass seed supplies are adequate for all crops, except Kentucky bluegrass, so that farmers can expand their hay and pasture acreage or improve the pasture acreage on their farms or ranches. The 1945 harvest of some grass seeds was much smaller than in 1944 but the carry-over of seed is such as to make the total supply sufficient to meet the need for these seeds. Brome grass is gaining in importance in mixture with alfalfa as a hay and pasture crop in the Corn Belt and Lake States. There is every reason to expect that this mixture will become more popular as more farmers become acquainted with its advantages. The improved varieties of brome grass are especially well suited to use in the alfalfa-brome mixtures. Farmers have found that grasses enable the farm operator to use his land, his labor, and his equipment effectively and therefore the farmer who wants efficient production will give attention to the use of these crops. For summer pasture, a field of Sudan grass is usually a way to get more feed and is an effective measure towards achieving efficient production.

Grain, Vegetable Seeds Plentiful

Field crops such as corn, small grain, the oil seeds and the other major crops do not present any problem so far as the total supply of seed is concerned but the farmer who must meet competition and who must make his living at farming needs the improved varieties of these crops. In most States, hybrid varieties of corn have been developed which are adapted to local conditions and yield one-quarter more than the old varieties. Because of frost damage, there is a short supply of good seed in northern areas. In some States, the new varieties of wheat, barley and oats, far outyield the old varieties and a farmer can hardly afford

to do without the new seed. New varieties of flax and soybeans have greatly increased the yield of oil per acre and made possible the profitable production of these crops in areas where they could not compete but for these added returns.

Vegetable seed supplies are plentiful except for some varieties of a few kinds and there are suitable substitutions so gardeners can grow just about whatever vegetables they like this year. Many new and improved varieties are available which will enable

the growers to provide the best crop of vegetables that was ever harvested.

The 1945 output of small vegetable seeds, which includes all kinds but garden beans, peas and sweet corn, is reported to be 41 percent above average though 35 percent smaller than in 1944. Production of certified seed potatoes in 1945 was over 33 million bushels, an all-time record.

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Food Supplies During the War

CIVILIAN food consumption per person in the United States increased considerably during the war, despite the necessity of supplying huge quantities of food to our armed forces and allies. This increase was made possible by the Nation's large expansion of food production. The volume of food production for sale and farm home consumption increased steadily to a new record in 1944 of 38 percent above prewar. Expansion of production occurred in the face of a decrease in the farm labor force and was aided by unusually favorable weather throughout most of the country. The greatest increases in food production were in livestock products, wheat, and truck crops.

During the prewar years 1935-39, about 97 percent of each year's supply of food was consumed domestically, and about 3 percent was exported. The percentage of the total food supplies consumed by civilians during the war declined to about 80 percent. In 1942, the first full year of our participation in the war, about 7 per-

cent of the available food supply went to the armed forces, and another 6 percent was exported, principally under lend-lease. Government stocks of food were built up both in 1942 and 1943. For 1943, military takings had increased to 12 percent and exports to 8 percent. During 1944 and 1945, about 13 to 14 percent went to the armed forces and 6 to 7 percent to export. In these years, the Government stocks which had been built up in 1942 and 1943 were considerably depleted and were quite small at the beginning of 1946. From the beginning of 1945 until the end of the war, the armed forces were taking almost one-fifth of the total food supply and other Government purchases were still large. With the end of the war, however, military cut-backs changed the whole food supply picture and permitted immediate increases in the civilian supplies of many foods, particularly in the last quarter of 1945.

Because of the increase in total food supplies by 1944, they were about 37 percent above prewar—the decreasing

share of the total supply going to civilians did not result in a lowering of the average per capita consumption of food by civilians. In fact, on a per capita basis, over-all civilian food consumption averaged well above the 1935-39 level throughout the war. The index of civilian per capita food consumption, in which retail prices in 1935-39 are used as constant weights to combine the various foods, was as follows:

1935-39----	100	1943	106
1941-----	108	1944	111
1942-----	107	1945	110

Prior to VJ-day, civilian per capita consumption for the year 1945 was expected to be only 5 percent above prewar. After the end of the war, civilian supplies of many foods increased markedly, permitting a much higher level of consumption in the last 3 or 4 months of the year. As a result, the average rate of consumption per capita for the year 1945 is now estimated at 10 percent above prewar.

At least in the early months of 1946, supplies of some foods will continue to fall short of total demand at present prices. However, the total amount of food available to civilians in 1946 will be considerably greater than in 1945, principally because of cut-backs in military procurement. Even with increases in the civilian population resulting from the demobilization of armed forces, average food consumption in 1946 may exceed the 1944 record. Military food requirements in 1946 appear to be only one-fourth to one-third of the 1945 takings. Exports and foreign shipments of food in 1946 will continue large, accounting for perhaps 7 or 8 percent of the total disappearance of food in 1946, compared with 3 percent in 1935-39.

The 1946 prospects for per capita food consumption in the United States at least 11 percent above prewar is in

sharp contrast with conditions in other parts of the world where per capita food supplies average about 12 percent below prewar. The nutritive value of the 1946 per capita food supply in the United States is expected to be about the same as in 1945, a level considerably higher in all nutrients than in prewar years. In 1946 an average of about 3,360 calories is expected to be available per person per day, compared with 3,250 in 1935-39. This will provide food energy in excess of any recognized standard requirement for the average of the whole civilian population, though some groups will have considerably less than the average. The National Research Council has recommended daily allowances over 3,000 calories only for very active men and for boys from 13 to 20 years of age. A rough average requirement for the United States population is 2,800 calories, including moderate kitchen waste. Thus part of the margin between this requirement and the 3,360 calorie supply available is lost through excessive kitchen and table waste. The effect of the recently announced wheat conservation program will slightly enhance the protein, iron and B-vitamin content of the average diet.

In most of Europe the daily calories available for the average person are far below the 3,360 calorie average in the United States. In late 1945 less than 1,900 calories per person per day were available in the following countries: Spain, Italy, Poland, Hungary, Rumania, Yugoslavia, Germany, Austria, Finland and Portugal.

In the following countries 2,100 to 2,500 calories per person per day were available: Greece, France, Czechoslovakia, Switzerland, Norway, Netherlands, Luxemburg and Belgium.

Only three countries had over 2,800 calories available—Denmark, Sweden and United Kingdom.

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Economic Trends Affecting Agriculture

Year and month	Industrial production (1935-39 = 100) ¹	Income of industrial workers (1935-39 = 100) ²	1910-14=100			Index of prices received by farmers (August 1909-July 1914=100)				
			Wholesale prices of all commodities ³	Prices paid by farmers		Farm wage rates	Livestock and products			
				Commodities	Commodities interest and taxes		Dairy products	Poultry and eggs	Meat animals	All livestock
1910-14 average.....	58	50	100	100	100	100	101	101	101	
1915-19 average.....	72	90	158	151	150	148	154	163	158	
1920-24 average.....	75	122	160	161	173	178	163	123	142	
1925-29 average.....	98	129	143	155	168	179	160	155	148	
1930-34 average.....	74	78	107	122	135	115	94	85	93	
1935-39 average.....	100	100	118	125	128	118	119	109	119	
1940-44 average.....	192	234	139	150	148	212	162	146	171	
1945 average.....	203	-----	154	180	174	350	197	196	203	
1945										
January.....	234	326	153	179	172	324	202	199	203	
February.....	236	324	154	179	172	-----	200	183	209	
March.....	235	322	154	180	173	-----	198	175	211	
April.....	230	314	154	180	173	335	194	176	215	
May.....	226	302	155	180	173	-----	192	179	217	
June.....	220	301	155	180	173	340	191	189	216	
July.....	211	287	155	180	173	362	192	197	215	
August.....	187	260	154	180	173	-----	195	207	212	
September.....	171	223	154	181	174	-----	197	201	207	
October.....	163	217	155	182	175	355	199	204	202	
November.....	163	221	156	182	175	-----	202	218	203	
December.....	164	-----	156	183	176	-----	204	222	204	
1946										
January.....	-----	-----	-----	184	177	347	203	197	206	

Year and month	Index of prices received by farmers (August 1909-July 1914=100)								All crops and live-stock	Parity ratio ⁵
	Crops									
	Food grains	Feed grains and hay	Tobacco	Cotton	Oil bearing crops	Fruit	Truck crops	All crops		
1910-14 average.....	100	101	102	96	98	99	-----	99	100	100
1915-19 average.....	193	164	187	168	187	125		168	162	106
1924-25 average.....	147	126	192	189	149	148	143	160	151	86
1925-29 average.....	140	119	172	145	129	141	140	143	149	89
1930-34 average.....	70	76	119	74	72	94	106	86	90	66
1935-39 average.....	94	95	175	83	106	83	102	97	107	84
1940-44 average.....	123	119	245	131	159	133	172	143	154	103
1945 average.....	172	161	366	171	215	220	224	201	202	116
1945										
January.....	169	163	365	163	214	205	262	200	201	117
February.....	169	164	360	161	215	211	223	197	199	116
March.....	171	166	359	163	215	211	203	196	198	114
April.....	172	162	362	163	215	221	259	204	203	117
May.....	172	161	363	165	216	227	193	198	200	116
June.....	173	162	364	169	217	237	269	210	206	119
July.....	169	161	364	171	221	237	244	207	206	119
August.....	167	158	367	172	215	214	240	202	204	118
September.....	167	157	365	175	213	217	159	191	197	113
October.....	175	160	373	180	210	219	181	196	199	114
November.....	178	161	375	182	213	217	235	203	205	117
December.....	178	162	378	184	213	230	223	206	207	118
1946										
January.....	179	164	375	180	213	225	249	207	206	116

¹ Federal Reserve Board, adjusted for seasonal variation, revised November 1943.

² Total income adjusted for seasonal variation, revised September 1945.

³ Bureau of Labor Statistics.

⁴ Revised.

⁵ Ratio of prices received by farmers to prices paid, interest, and taxes.

⁶ 1924 only.

NOTE.—The index numbers of industrial production and of industrial workers' income, shown above, are not comparable in several respects. The production index includes only mining and manufacturing; the income index also includes transportation. The production index is intended to measure volume, whereas the income index is affected by wage rates as well as by time worked. There is usually a time lag between changes in volume of production and workers' income since output can be increased or decreased to some extent without much change in the number of workers.